



## Taxi Fare Review

<b>Corporate Priority:</b>	Delivering sustainable and inclusive growth in Melton
<b>Relevant Ward Member(s):</b>	All members
<b>Date of consultation with Ward Member(s):</b>	13 May 2021
<b>Exempt Information:</b>	No

### 1 Summary

- 1.1 The purpose of this report is to present to the Licensing Committee a request made by one Hackney Carriage driver and supported by a further 9 drivers within Melton to an increase in the tariff charges. Following the prescribed process, a 14-day consultation period took place which attracted responses from 4 drivers and no members of the public.

### 2 Recommendation(s)

**That Committee:**

- 2.1 **Approve the Hackney Carriage maximum fares proposed.**

### 3 Reason for Recommendations

- 3.1 It has been over 7 years since the last fare increase. At the last review in 2019, the proposal was rejected, meaning drivers have not had a wage increase in this time. The increase will take into consideration the increased costs to drivers of the cost of living, increases in the national minimum wage and running costs for vehicles.
- 3.2 To ensure the maximum fares chargeable reflect the costs which will be incurred by a good owner-driver who spends whatever is necessary to operate and maintain his hackney carriage to a high standard.

## 4 Background

- 4.1 A request to consider an increase to the Hackney Carriage Tariff was received by the Licensing section from a representative of the Melton Hackney Carriage drivers, supported by 9 drivers (**Appendix 1**). The review has been requested on the basis of a rise in inflation, the cost of insurance and cost of living.
- 4.2 A district council has the power to set fares for Hackney Carriages under the provisions of s65 of the Local Government (Miscellaneous Provisions) Act 1976 ('the Act')
- 4.3 There is a prescribed process that should be followed by a Local Authority when considering a tariff increase (**Appendix 2**).
- 4.4 If there is to be an increase in the tariff, this should be a balanced approach that ensures that the demand for the use of Hackney Carriages continues and that the cost of providing the service reasonably reflects the cost of running such a service.
- 4.5 A table of current and proposed fares has been created (**Appendix 3**). The new proposed figures were calculated by a hackney driver representative in consultation with a company who installs and programs taxi meters, to ensure the fares calculated offer a workable and proportionate increase without being excessive.
- 4.6 A minimum running cost was calculated using the same formula used back in 2014 to justify the basic mileage rate starting in Tariff 1 (**Appendix 4**).
- 4.7 The justification they have provided for requesting a fare review can be found in **Appendix 5**.
- 4.8 The Table of Fares applies to journeys starting and finishing within the Melton Borough and are there to regulate the cost for residents of the Borough. Any fare being outside the Borough is permitted to be by prior agreement with the driver and hirer.

## 5 Main Considerations

- 5.1 The new proposed fare seeks to add an amount to the basic fare whilst the vehicle is moving. The largest increase is in the waiting rate. Drivers expressed concerns about time spent waiting for people to load and unload specifically on night times and during festive periods. The waiting rate reflects the time spent not moving and Tariff 5 has been proposed as an addition because of the increase in running cost of larger vehicles which at present does not attract a higher fee on Christmas Day, Boxing Day, New Year's Day; Good Friday, Easter Sunday, Easter Monday; Early May Bank Holiday, Spring Bank Holiday, Summer Bank Holiday.
- 5.2 The driver proposing the fare increase has referenced a league table published on 'The Private Hire and Taxi Monthly' website which compares the cost of a 2 mile journey in all 363 Councils (**Appendix 6**) and can be viewed here:  
<https://www.phtm.co.uk/newspaper/taxi-fares-league-tables>

This shows that Melton is 305 / 363, so only 16% of authorities have a lower fare rate than here.

5.3 The proposed fare increase would equate to roughly the following, for a 2 mile journey not including any waiting time\*:

<b>Tariff</b>	<b>Currently</b>	<b>Proposed</b>
1	£5.17	£6.00
2	£6.33	£6.83
3	£8.00	£8.16
4	£10.33	£10.33
5	n/a	£12.33

#### **Waiting times calculated**

<b>Tariff</b>	<b>Current waiting time for x pence to be added</b>	<b>Proposed waiting time for x pence to be added</b>
1	24 sec / 10p	18 sec / 10p
2	18 sec / 10p	14 sec / 10p
3	48 sec / 20p	28 sec / 20p
4	24 sec / 20p	18 sec / 20p
5	n/a	18 sec / 20p

\*Please note these are estimates due to variations in waiting times at traffic lights, road junctions etc.

## **6 Options Considered**

The council can decide not to increase hackney carriage fares as part of this review although this option is not considered desirable as it would result in an owner-driver not being able to fully recover the costs which will be incurred by them to operate and maintain their hackney carriage to a high standard.

## **7 Consultation**

- 7.1 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 prescribes that the council must consult if it proposes to set or vary hackney carriage fares.
- 7.2 It must do so by publishing a notice in a local newspaper setting out the variation and specifying a period and means of objecting. The specified period cannot be less than 14 days.
- 7.3 The proposed fare increase was advertised in The Melton Times and allowed 14 days for comments to be submitted between the dates of 13 May 2021 and 26 May 2021 inclusive. It was also displayed on the Melton Borough Council website, Facebook page and was available for viewing at reception during open times.
- 7.4 In addition, all drivers were notified to ensure they were aware of the consultation and invited to provide representations.

7.5 During this time, the review attracted responses from 4 drivers and no members of the public (**Appendix 7**)

## **8 Next Steps – Implementation and Communication**

8.1 As objections were received, the date for implementation is delayed to allow time to consider them. In line with the provisions of s65 of the Act, a new date is set for the table of fees to come into force. This may be that they are accepted as proposed, modified or rejected.

## **9 Financial Implications**

9.1 An increase in the taxi tariff would not impose additional costs nor generate any income for the Council.

**Financial Implications reviewed by: Director for Corporate Services**

## **10 Legal and Governance Implications**

10.1 A Local Authority has the power to set fares for Hackney Carriages under the provisions of section 65 of the Local Government (Miscellaneous Provisions) Act 1976 which stipulates the Council can fix the rates or fares (which can include time as distance and all other charges in connection with the hire of a vehicle) by way of a table of fares (s.65(1))

10.2 There is a prescribed process that should be followed by a Local Authority when considering a tariff increase:

10.3 Where a council makes or varies a table of fares they shall publish in at least one local newspaper a notice setting out the table of fares and/or variation specifying the period (not less than 14 days from the date of first publication) and the manner in which objections to the table of fares or variation can be made (s.65(2)(a)).

10.4 The notice should also be available at the council offices for a period of 14 days from the date of first publication and be open to the public for inspection without payment during reasonable hours (s.65(2)(b)).

10.5 If no objection is made within the period specified in the notice or if objections are withdrawn, the fares shall come into operation on the date of the expiration of the period specified in the notice or the date of withdrawal of the objection (whichever date is later). (s.65(3))

10.6 If the objection(s) is not withdrawn the Council shall set a further date (not later than two months after the first specified date) on which the table of fares shall come into force with or without modification as decided by them after consideration of the objections (s.65(4)).

10.7 Any fares previously made under s.65 fixing the rates and fares or any table of fares previously shall cease to have effect (s.65(6)).

**Legal Implications reviewed by: Monitoring Officer**

## **11 Equality and Safeguarding Implications**

11.1 It has been considered and the increase proposed does not warrant a review of an equality impact assessment.

## **12 Community Safety Implications**

12.1 There are no community safety implications

### 13 Environmental and Climate Change Implications

13.1 There are no implications for Climate Change.

### 14 Other Implications (where significant)

14.1 None

### 15 Risk & Mitigation

Risk No	Risk Description	Likelihood	Impact	Risk
1	If the council decides not to approve the recommended increase in fares, licence holders will be unable to recover their costs and earn a proper living, which could result in the council being legally challenged which could adversely affect the council's reputation.	Low	Marginal	6
2	If the council does not have a proposed basis for calculating hackney carriage fares, the council may be unable to defend a legal challenge on the fares set and the method used.	Low	Marginal	6
3	Impact on drivers income	Significant	Marginal	8

		Impact / Consequences			
		Negligible	Marginal	Critical	Catastrophic
Likelihood	Score/ definition	1	2	3	4
	6 Very High				
	5 High				
	4 Significant		3		
	3 Low		1, 2		
	2 Very Low				
	1 Almost impossible				

Risk No	Mitigation
1	Adopt the proposals
2	Adopt the proposals

<b>3</b>	Adopt the proposals
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## **16 Background Papers**

16.1 None

## **17 Appendices**

- 17.1 Appendix 1: Process for considering fare review
- 17.2 Appendix 2 : Current and proposed table of fares
- 17.3 Appendix 3: Formula to calculate running cost
- 17.4 Appendix 4: Justification for review
- 17.5 Appendix 5: Comparison to other authorities fares
- 17.6 Appendix 6: Signature Sheets supporting increase
- 17.7 Appendix 7: Responses to consultation

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